

DECISION RECORD

Prospector Pipeline Company Application for Rights-of-Way for the
North Elko Pipeline Project, Elko County and Eureka County, NV
NVN-090665
DOI-BLM-NV-N020-2012-0018-EA

On December 16, 2011, Prospector Pipeline Company (PPC), a domestic corporation licensed to conduct business in the State of Nevada and a subsidiary of Energy Operations Management of Rancho Cordova, California, submitted to the BLM's Tuscarora Field Office an application for a right-of-way over and through the public land portions of a proposed 24.2 mile pipeline that would convey natural gas from the Ruby Pipeline to the mining operations at the Barrick Goldstrike Mine. The proposed natural gas pipeline lies mostly within Elko County, with the southern two miles of the project in Eureka County.

The proposed pipeline would provide natural gas to replace the use of propane gas at the Goldstrike Mine and would, by virtue of the size of the pipeline, provide temporary storage for backup natural gas supplies for mining operations in the event that the Ruby Pipeline was shut down for routine maintenance or other reasons. The pipeline application includes about 9.1 miles of public lands, with the remaining 15.1 miles entirely on private land. The pipeline would be 12 inches in diameter buried at a minimum depth of 48 inches. The pipeline would include construction of three surface facilities: the Willow Creek Meter Station, on public land, that would connect the new pipeline to the Ruby Pipeline and provide for metering of gas flows; the Coyote Creek Station, on private land, that would provide a required shut-off mainline valve approximately midway along the pipeline route; and the Barrick Meter Station, on private land, that would provide a connection for service to the facilities at the Goldstrike Mine.

In response to the application, serialized as NVN-090665, the BLM's Tuscarora Field Office prepared Environmental Assessment DOI-BLM-NV-N020-2012-0018-EA (EA) to analyze the impacts of the proposed project. The EA was posted on the Elko District's website for 30 days. Having considered the analysis and all comments submitted during the preparation of the EA and in response to the posting of the EA, I have made the following decision.

Decision

As authorized by Title V of the Federal Land Management Policy Act of October 21, 1976 (90 Stat. 2776 43 U.S.C. 1761) and Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), and in accordance with regulations found at 43 CFR 2800 and 43 CFR 2880, it is my decision to approve the issuance of a right-of-way grant to PPC for a twelve-inch diameter natural gas pipeline over and through public lands in Elko County and Eureka County that are managed by the BLM. The involved public lands are described and analyzed for environmental impacts in DOI-BLM-NV-N020-2012-0018-EA. The right-of-way will extend approximately 24.2 miles across both public and private land from the Ruby Pipeline to the Goldstrike Mine. and be 80 feet wide construction corridor during construction from August 2012 through December 31, 2012. Subsequently the right-of-way for the remainder of the 30 year term, which will expire on December 31, 2042, will be 30 feet wide centered on the completed pipeline alignment.

Exhibit A provides a certified legal description and map for the public lands encumbered by the right-of-way. Exhibit B provides the terms and conditions that Prospector Pipeline is required to complete or implement upon acceptance of the grant that are in addition to those that are a standard part of Form 2088-14, Right-of-Way Grant/Temporary Use Permit.

Monitoring

The pipeline right-of-way will be monitored in compliance with the 43 CFR 2800 regulations. Additional monitoring for habitat improvement for Greater sage-grouse, as part of a conservation plan resulting from a requirement to comply with Washington Office Instruction Memorandum 2012-043, is described in the EA.

Mitigation

PPC agreed to all environmental protection measures proposed by the BLM and NDOW for environmental protection. The measures were incorporated into the Plan of Development (POD) as design features of the proposed project, or in the Supplemental Stipulations of the right-of-way grant. PPC will post \$71,600 in financial security with the BLM to ensure that disturbed surface areas will be successfully revegetated as described in the POD and as required by the Supplemental Stipulations. In addition, PPC will establish and implement a conservation plan for Greater sage-grouse in concert with the BLM and the Nevada Department of Wildlife. The conservation plan will be funded by a \$219,000 contribution from PPC.

Rationale

As described in the EA, the proposed right-of-way is consistent with the BLM Elko Resource Management Plan as well as Elko County and Eureka County plans and Federal, state, and county laws and regulations.

While the majority of the project area lies within Greater sage-grouse Preliminary Priority Habitat, the Nevada Department of Wildlife has determined that implementation of the Cooperating Agreement for Sage-Grouse Conservation and Habitat Improvement (Conservation Agreement), which is an integral part of the project proposal, would cumulatively maintain or enhance Greater sage-grouse habitat. The Conservation Agreement is designed to reestablish healthy sage grouse habitat on wildfire damaged areas, in addition to other potential conservation actions. BLM Washington Office Instruction Memorandum 2012-043 requires such a finding in order for the Tuscarora Field Office to issue a decision approving construction of the pipeline.

I also recognize the socio-economic value gained in reducing energy costs at the Goldstrike Mine which in turn enhance the potential economic life of the mine, thereby extending employment opportunities and local revenues. Also, the reduction in traffic by propane-carrying trucks would enhance public safety and reduce carbon emissions, fugitive dust, and other pollutants.

I have determined that the measures incorporated into this project are adequate to protect cultural resources and meet the standard for complying with BLM's responsibilities under Section 106 of the Archaeological Resources Protection Act of 1979.

Public Involvement

Press releases were issued by the BLM on June 13, 2012, when the Environmental Analysis was initiated and when the Environmental Assessment was posted on the Elko District website for 30 days. A second press release will be released to inform the public of this decision.

The Elko Daily Free Press posted online and published an article on June 14, 2012, entitled “BLM seeks public input on four projects” that described the proposed pipeline project. No protests or comments in opposition to the proposed pipeline were received from the public in response to this outreach. Sierra Pacific Power Company (dba NV Energy) submitted a request to coordinate the alignment and construction activities of the pipeline with existing and proposed power lines in the project area. PPC responded to this request and the BLM confirmed that the coordination did occur to the satisfaction of NV Energy.

The Tuscarora Field Office has conducted and will continue to conduct Native American consultation on this project. The proposed pipeline alignment was rerouted and the proposed locations of a valve station and four construction staging areas were modified to avoid impacts to cultural resources. BLM managers presented information on the NEPP to the Goshute Indian Reservation Council on July 6, 2012, and provided a draft of the Programmatic Agreement to that Council as well as the Battle Mountain Band Council and the Shoshone-Paiute Tribes of the Duck Valley Indian Reservation. While every practicable effort has been made to avoid known and potential cultural resource sites, the BLM will continue to pursue a discussion with the Duckwater Shoshone Tribe to ensure that any potential concerns are identified and addressed prior to implementation.

Effective Date and Appeal Rights

This decision is effective as of the date of my signature below. Anyone who feels they may be adversely affected may appeal this decision to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4. An appeal must be filed within 30 days from receipt or notification of this decision. The appellant has the burden of showing that the decision appealed from is in error. If you wish to file a petition pursuant to regulations at 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted. Questions related to this decision and the process for appeals may be directed to the Tuscarora Field Office at 775-753-0200.

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8/7/12

DAVID OVERCAST, Manager
Tuscarora Field Office

DATE